

1920 State Teachers' Retirement System

The mission of the California State Teachers' Retirement System (CalSTRS) is: "Securing the financial future and sustaining the trust of California's educators." CalSTRS' primary responsibility is to provide retirement-related benefits and services to 833,343 (as of June, 2008) active and retired educators in public schools from pre-kindergarten through the community college system.

3-YR EXPENDITURES AND PERSONNEL YEARS (Summary of Program Requirements)

	Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
10 Service to Members and Employers	590.0	647.6	647.6	\$86,752	\$121,929	\$122,429
15 Corporate Governance	6.9	7.6	7.6	1,147	1,409	1,409
20 Administration	165.0	210.6	210.6	52,391	39,233	39,400
99 Unclassified (Benefit Payments)	-	-	-	8,900,000	9,639,797	10,445,469
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	761.9	865.8	865.8	\$9,040,290	\$9,802,368	\$10,608,707
FUNDING				2008-09*	2009-10*	2010-11*
0835 Teachers' Retirement Fund				\$9,005,984	\$9,762,879	\$10,567,037
0995 Reimbursements				338	339	339
8001 Teachers' Health Benefits Fund				29,713	34,740	36,802
8005 Teacher's Replacement Benefits Program Fund				3,745	3,681	3,800
8041 Teachers' Deferred Compensation Fund				510	729	729
TOTALS, EXPENDITURES, ALL FUNDS				\$9,040,290	\$9,802,368	\$10,608,707

There are non-add General Fund (0001) retirement contributions to CalSTRS in the amounts of \$1,133,077 for 2008-09, \$1,248,056 for 2009-10 and \$1,251,275 for 2010-11 (See 6300 State Teachers' Retirement System Contributions). The expenditures for funds 0835, 8001, and 8005 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Education Code, Title 1, Division 1, Part 13.

DETAILED BUDGET ADJUSTMENTS

	2009-10*			2010-11*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Miscellaneous Baseline Adjustments	\$-	\$1,590	-	\$-	\$817,929	-
Totals, Other Workload Budget Adjustments	\$-	\$1,590	-	\$-	\$817,929	-
Totals, Workload Budget Adjustments	\$-	\$1,590	-	\$-	\$817,929	-
Policy Adjustments						
• Miscellaneous Policy Adjustments	\$-	\$-	-	\$-	-\$10,000	-
Totals, Policy Adjustments	\$-	\$-	-	\$-	-\$10,000	-
Totals, Budget Adjustments	\$-	\$1,590	-	\$-	\$807,929	-

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 - SERVICE TO MEMBERS AND EMPLOYERS

The primary functions of the California State Teachers' Retirement System (CalSTRS) are as follows:

- Maintain a financially sound retirement system.
- Maintain an efficient operational system for the administration of CalSTRS.

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

- Continuously improve the delivery of benefits, products and services to CalSTRS members.
- Develop and improve upon benefits and products to CalSTRS members.

CalSTRS Board has exclusive control over the investment and administration of the Teachers' Retirement Fund. The Board makes rules, sets policies, and has the power and authority to hear and determine all facts pertaining to application for benefits under the retirement system. The twelve-member Board consists of four ex-officio members, including the Superintendent of Public Instruction, the State Treasurer, the State Controller, and the Director of Finance. The Governor-appointed members of the Board include three Public Members, one retiree of CalSTRS, and one school board member or community college trustee. Three representatives are elected by active CalSTRS members.

Income to CalSTRS is derived from contributions from members and employing school districts, appropriations from the General Fund, and investment earnings (see 6300-Teachers' Retirement System Contributions for state contributions for benefits). The cost of administration is paid from the Teachers' Retirement Fund as provided in Section 22304(a) of the Education Code.

CalSTRS is responsible for the determination and payment of benefits to members, retirees, and their beneficiaries, and for the distribution of information to all members, employers, and other interested groups. CalSTRS' Defined Benefit Program includes service retirement, benefits for survivors, and disability benefits. The basic retirement allowance is determined on the basis of a member's age, years of credited service, and final compensation. The member may modify the basic allowance by selecting a joint and survivor annuity option to provide benefits for their beneficiary after the member dies. Generally, the payments of benefits are made within 30 days following the effective date of the member's retirement.

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions/Personnel Years			Expenditures		
	2008-09	2009-10	2010-11	2008-09*	2009-10*	2010-11*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	761.9	915.0	915.0	\$47,582	\$51,911	\$61,233
Estimated Salary Savings	-	-49.2	-49.2	-	-2,740	-3,253
Net Totals, Salaries and Wages	761.9	865.8	865.8	\$47,582	\$49,171	\$57,980
Staff Benefits	-	-	-	19,140	23,266	26,622
Totals, Personal Services	761.9	865.8	865.8	\$66,722	\$72,437	\$84,602
OPERATING EXPENSES AND EQUIPMENT				\$73,568	\$90,134	78,636
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$140,290	\$162,571	\$163,238

4 Unclassified	Expenditures		
	2008-09*	2009-10*	2010-11*
Teachers' Retirement Benefits	\$8,866,840	\$9,601,756	\$10,405,247
Teachers' Health Benefits	29,415	34,360	36,422
Teachers' Replacement Benefits	3,745	3,681	3,800
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$8,900,000	\$9,639,797	\$10,445,469

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
0001 General Fund			
APPROPRIATIONS			
011 Budget Act appropriation	(\$1,133,077)	(\$1,248,056)	(\$1,251,275)
TOTALS, EXPENDITURES	\$-	\$-	\$-
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$168,840	\$160,440	\$150,440
002 Budget Act appropriation	(172,113)	(228,609)	(166,548)
Revised estimate per Provision 1	(-11,587)	(-67,761)	-

* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

1 STATE OPERATIONS	2008-09*	2009-10*	2010-11*
Education Code Section 22954	63	63	63
Education Code Section 22307 (Admin Costs)	1,147	1,409	1,409
Prior year balances available:			
Item 1920-001-0835, Budget Act of 2006 as reappropriated by Item 1920-490, Budget Act of 2007	2,289	-	-
Item 1920-001-0835, Budget Act of 2007 as reappropriated by Item 1920-490, Budget Act of 2008	4,024	4,024	-
Item 1920-001-0835, Budget Act of 2008 as reappropriated by Item 1920-490, Budget Act of 2009	-	5,065	5,065
Item 1920-001-0835, Budget Act of 2009 as proposed reappropriated by Item 1920-490, Budget Act of 2010	-	-	4,813
Chapter 654, Statutes of 2006	<u>19</u>	<u>-</u>	<u>-</u>
Totals Available	\$176,382	\$171,001	\$161,790
Unexpended balance, estimated savings	-28,149	-	-
Balance available in subsequent years	<u>-9,089</u>	<u>-9,878</u>	<u>-</u>
TOTALS, EXPENDITURES	\$139,144	\$161,123	\$161,790
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$338	\$339	\$339
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Administration Expenses)	<u>\$298</u>	<u>\$380</u>	<u>\$380</u>
TOTALS, EXPENDITURES	\$298	\$380	\$380
8041 Teachers' Deferred Compensation Fund			
APPROPRIATIONS			
Education Code Section 24976 (403(b) Vendor Registry Operating Account)	<u>\$510</u>	<u>\$729</u>	<u>\$729</u>
TOTALS, EXPENDITURES	\$510	\$729	\$729
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$140,290	\$162,571	\$163,238
4 UNCLASSIFIED			
0835 Teachers' Retirement Fund			
APPROPRIATIONS			
Education Code Section 24202 (Benefit Payments)	\$8,252,387	\$8,969,102	\$9,748,290
Education Code Section 24417 (Purchasing Power Benefit Payments)	348,105	362,900	378,323
Education Code Section 22307 (Administrative Costs)	<u>266,348</u>	<u>269,754</u>	<u>278,634</u>
TOTALS, EXPENDITURES	\$8,866,840	\$9,601,756	\$10,405,247
8001 Teachers' Health Benefits Fund			
APPROPRIATIONS			
Education Code Sections 25930 and 25940 (Benefit Payments)	<u>\$29,415</u>	<u>\$34,360</u>	<u>\$36,422</u>
TOTALS, EXPENDITURES	\$29,415	\$34,360	\$36,422
8005 Teacher's Replacement Benefits Program Fund			
APPROPRIATIONS			
Education Code Section 24255 (Benefit Payments)	<u>\$3,745</u>	<u>\$3,681</u>	<u>\$3,800</u>
TOTALS, EXPENDITURES	\$3,745	\$3,681	\$3,800
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$8,900,000	\$9,639,797	\$10,445,469
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$9,040,290	\$9,802,368	\$10,608,707

FUND CONDITION STATEMENTS

	2008-09*	2009-10*	2010-11*
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0835 Teachers' Retirement Fund ^N
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* Dollars in thousands, except in Salary Range.

1920 State Teachers' Retirement System - Continued

	2008-09*	2009-10*	2010-11*
BEGINNING BALANCE	\$161,506,044	\$118,451,019	\$124,581,696
Prior year adjustments	<u>32,516</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$161,538,560	\$118,451,019	\$124,581,696
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments:			
Purchasing Power Receipts (State Lands Royalties)	7,294	6,104	6,653
Other Investment Income	-39,850,555	9,417,060	9,103,006
221000 Member Contributions	2,500,632	2,598,907	2,701,044
299000 State Contribution (Benefits Funding)	535,603	563,121	564,999
299000 Purchasing Power Receipts (SBMA)	597,474	684,935	686,276
299000 Employer Contributions	2,460,497	2,553,504	2,650,026
299000 Other Receipts	-250		
299000 Securities Lending Income (Net)	<u>-332,212</u>	<u>70,000</u>	<u>70,000</u>
Total Revenues, Transfers, and Other Adjustments	<u>-\$34,081,517</u>	<u>\$15,893,631</u>	<u>\$15,782,004</u>
Total Resources	\$127,457,043	\$134,344,650	\$140,363,700
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	40	75	185
1920 State Teachers' Retirement System			
State Operations	139,144	161,123	161,790
Unclassified	8,866,840	9,601,756	10,405,247
Benefits:			
Retired Benefits	(7,605,876)	(8,272,151)	(8,996,791)
Disability Family Benefits	(166,538)	(176,813)	(187,723)
Survivor Benefits	(395,527)	(426,299)	(459,465)
Death Benefits	(84,418)	(93,839)	(104,311)
Subvention Payments	(28)		
Purchasing Power Payments (SBMA and State Lands Royalties)	(348,105)	(362,900)	(378,323)
Other:			
Investment Advisors	(160,526)	(160,848)	(166,548)
Refunds	(105,816)	(108,906)	(112,086)
Transfer to Other Agencies			
8880 Financial Information System for California (State Operations)	<u>-</u>	<u>-</u>	<u>100</u>
Total Expenditures and Expenditure Adjustments	<u>\$9,006,024</u>	<u>\$9,762,954</u>	<u>\$10,567,322</u>
FUND BALANCE	\$118,451,019	\$124,581,696	\$129,796,378
8001 Teachers' Health Benefits Fund ^N			
BEGINNING BALANCE	\$4,143	\$4,574	\$3,174
Prior year adjustments	<u>2,917</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$7,060	\$4,574	\$3,174
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Contributions	27,121	33,233	34,473
250300 Other Receipts	<u>106</u>	<u>107</u>	<u>109</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$27,227</u>	<u>\$33,340</u>	<u>\$34,582</u>
Total Resources	\$34,287	\$37,914	\$37,756
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System			

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1920 State Teachers' Retirement System - Continued

	2008-09*	2009-10*	2010-11*
State Operations	298	380	380
Unclassified	29,415	34,360	36,422
Total Expenditures and Expenditure Adjustments	\$29,713	\$34,740	\$36,802
FUND BALANCE	\$4,574	\$3,174	\$954
8005 Teacher's Replacement Benefits Program Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
221600 Employer Contributions	\$3,745	\$3,681	\$3,800
Total Revenues, Transfers, and Other Adjustments	\$3,745	\$3,681	\$3,800
Total Resources	\$3,745	\$3,681	\$3,800
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (Unclassified)	3,745	3,681	3,800
Total Expenditures and Expenditure Adjustments	\$3,745	\$3,681	\$3,800
FUND BALANCE	-	-	-
8041 Teachers' Deferred Compensation Fund ^N			
BEGINNING BALANCE	\$627	\$547	\$369
Prior year adjustments	27	-	-
Adjusted Beginning Balance	\$654	\$547	\$369
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surplus Money Investment Fund	12	6	6
299000 Other Receipts	386	545	545
Transfers and Other Adjustments:			
FO8046 From Teachers' Retirement Program Development Fund per Education Code Section 24976(a)(b)	5		
Total Revenues, Transfers, and Other Adjustments	\$403	\$551	\$551
Total Resources	\$1,057	\$1,098	\$920
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1920 State Teachers' Retirement System (State Operations)	510	729	729
Total Expenditures and Expenditure Adjustments	\$510	\$729	\$729
FUND BALANCE	\$547	\$369	\$191
8046 Teachers' Retirement Program Development Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
250300 Income from Surpluse Money Investment Fund	\$5		
Transfers and Other Adjustments:			
To8041 To Teachers' Deferred Compensation Fund per Education Code Section 24976(a)(b)	-5		
Total Revenues, Transfers, and Other Adjustments	-	-	-
Total Resources	-	-	-
FUND BALANCE	-	-	-

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